the State's indebtedness, at the end of the fiscal year was \$38,864,448 74. The sinking funds, which there is B reason to suppose will be diminished, will, at their present rate of application, extinguish the whole debt within CANALS. Received during the year ending 80th Sept., 5,681,225 11 Paid during the year Leaving a balance, 30th Sept., 1863...... \$4,698,222 44 REVENUES AND EXPENDITURES FOR THE FISCAL TEAR.
Statement of the revenues of the State canais, and the
expenses of collection, and ordinary repairs during the
fiscal year ending 30th Sept. 1868;
RECEIPTS. Tells.
Rent of surplus water.
Interest on current revenues.....
Miscellaneous receipts.... Total.

FAYMENTS.

To Canal Commissioners for ordinary repairs.

To contractors, for repairs.

To Superintendents, for repairs.

To Collectors, for salaries, clerk hire, pay of inspectors and expenses of collector's offices.

To Weighmasters.

For salaries, chargeable to annual revenues, refunding tolls, printing and other miscellaneous payments.

77,079 22 ... \$4,477,546 17 77,079 22-\$1,184,245 0

AMOUNTS SET APART BY ARTICLE SEVEN OF THE CONSTITUTION, VIZ:

TO Sinking Fund, under Section 1 \$1,700,000 00

To Sinking Fund, under Section 2 350,000 00

To Sinking Fund, under Section 3 1,116,242 66

For the support of Government, under Sec. 3 127,058 47 . \$3,293,301 13 CANAL DEBT PAYING INTEREST SEPT. 30, 1868. Principal Interest of Under Art. 7, Sec. 1 of the Con-\$14,239,800 00 \$831,831 00

Total. \$14,239,800 00 \$831,83f 00

There are also \$19,160 of Canal debt, which sum is past due, and does not now bear interest; this is included in my previous statement of Canal Debt.

The aggregate balance of all the Sinking Funds applicable to the Canal Debt in the Treasury, and temperarily invested on the 20th of September, was \$4,017,232 43. These Sinking Funds are pledged for the payment of the interest and the redemption of the principal of the several debts and loans incurred under Sections 1.3 and 12, of Article VII, of the Constitution, in the construction and enlargement of the canals. The application of the above balance to the several debts, for the payment of which these funds have been provided and set apart, would reduce the above outstanding indebtedness to the would reduce the above outstanding indebtedness to the sum of \$10,307,921 24, as will more fully appear from the following statement:

Bainnes of Sink's
Fund 30th Sept., Balance of deht
Deht 30th Sept., 1888, including after applying temp'ry invest's Sinking Funds. Under Art. 7, Sec. 1, of the Constitution. \$2,240,860 00 \$2,316,053 67 Under Art. 7, Sec. 3, of the Constitution...10,324,100 00 1,122,520 11 Under Art. 7, Sec. 12, of the Constitution.. 1,685,000 00 Total\$14,249,060 00 \$4,017,222 43 \$10,307,921 20

It will be seen from the last statement, which is made up by the Canal Department, that the total amount of Canal Debt is \$15,123 67 in excess of the amount previously stated by me. The first statement is from the Controller's books. The explanation of this discrepancy is as follows: The Canal Debt, under section 1 of article 7 of

The Sinking Fund is.....

payment of all outstanding claims and liabilities against the State, except such as may have arisen during the last year for awards made the Canal Appraisers for lands ap-propriated or occupied for public purposes. The amount of business transacted upon the canals, their general condition, management and supervision, compare favor-ably with any previous season. Their revenues have been nearly half a million in excess of those of 1867,

of business transacted upon the canals, their general condition, management and supervision, compare favorably with any previous season. Their revenues have been nearly half a million in excess of those of 1867, while their current expenses, for care, superintendence, and ordinary repairs, have been over \$20,000 less than the annual average for the four preceding years.

It affords me great pieasure to congratulate the Legislature and the people of the State upon the fact that the surplus revenues of the canals for the past fiscal year have been sufficient to pay the balance of the canal debt of 1846, satisfy the other requirements of the Constitution, and contribute over a hundred thousand dollars "to defray the necessary expenses of the Government."

The Eric Canal, by its geographical position and fits physical characteristics, has a special and an important relation to the commerce and business not only of our own State, but of the populous and rapidly growing communities of the great North-west. Connecting the Hudson with the lakes, it is an indispensable link in a chain of water communication, which continues to be of great power and value, notwithstanding the improvements in the methods of land transportation which are characteristic of our times. This work is a trust for the people of the State, whose enterprise and capital have created it; but it is to be administered in a spirit of liberality toward those great populations whose growth has been fostered by it, and whose welfare it continues to affect. To maintain it in a condition of efficiency, and to improve it in a practical manner, as the necessities of business may from time to time demand, is our interest as proprietors, and our policy with reference to the counsidered changes in its structure, or charges upon its revenues, growing out of improvident expenditures, ill-considered changes in its attructure, or charges upon us. The general pian of its construction and is adaptation to the business for which it was intended, the time of transportati

best to all the canals in proportion to the extent of their business.

With regard to the present contract system for repairs to the canals, I beg leave to call your attention specially to the following extract from the report of the State Engineer: "The present system of repairs has proved a great disappointment to its carly advocates, and as an experiment, has wholly failed in protecting the interests of the State, and in preserving and maintaining our public works. It has proved to be anything but economical to the State, or beneficial to navigation, and its repeal is carnestly desired by all directly interested in the navigation of the canals, and strongly recommended by all the present and retiring canal officials." These views of the State Engineer meet with my full approval, and I unite in his recommendation. In concluding these remarks, I desire to enter my carnest protest sgainst the proposition, which in some quarters has met with favor, that it is the duty of the General Government to interest likely in our canals, and ultimately to acquire control of them. Our State has a just pride in its public works, and is quite competent to take care of them. To foster and protect them to adapt them fully to the public accessities and to the growing demands of the internal commerce of the country, should be the duty of the Legislative and Exceutive departments.

The Superintendent of the Onondaga Salt Springs reports the quantity inspected during the last fiscal year at 5,703,514 bushels, bein, an increase of production over that of the previous flacal year of 2,016,454 bushels. The amount of revenue received from all sources was \$38,049,47; total expenditures connected with the superintendency of the springs was \$49,28; the amount of net revenue received by the State being \$38,81,47.

The following facts in regard to the receipts and expenditures of the State Prisons are furnished me by the Controller:

EARNINGS.

The following facts in regard to the receipts and expenditures of the State Prisons are furnished usiness. With regard to the present contract system for repairs

Total\$499,127 22 Total\$302,212 20
For the number of inmates of the several prisons, and

other details, I respectfully refer you to the reports of the Inspectors, which will be duly presented.

Our prisons have not been for many years self-supporting institutions. I am satisfied they can be better managed, as well in respect to finances as discipline. The prison system of this State abounds in evils and errors. Many of these are, doubtless, due to the fact that the persons appointed to discharge the dutas of agents, wardens and keepers are too often selected from political considerations only, without reference to their capacity and qualifications. The present contract system for the emplayment of the labor of the prisoners is an unwise one. It affects very unfavorably the discipline of the institutions, and does not produce satisfactory pecuniary results. The labor of the convicts should be directed and employed entirely by the Prison Superintendents, and the products of such labor should be sold by them for the benefit of the State. This system would remove many existing causes of complaint in regard to convict labor, and result in material advantage to the public.

The law passed some years age, allowing to convicts for good behavior a certain number of days' deduction from their terms of imprisonment, by way of communation of sentence, has been beneficial in its operation; and if, under a system by which the Superintendent should directly employ the labor of the prisoners, provision should be made that a small portion of their carnings be laid aside for their benefit, to be paid to them on the expiration of their sentence, the effect upon their present conduct and future lives would, I think, be useful alike to them and to society. I cannot in this message enter into detailed statements and suggestions of all that is necessary for prison reform. I commend to your consideration the report of the Prison Association, which, under a resolution of the last Legislature, was directed to investigate the financial administration of the State Prisons and the reformatory agencies employed in them.

It is

ceive.

I commend to your favorable consideration the various houses of refuge and other institutions for the reformation of juvenile delinquents. It is wise economy to aid them, and to provide for their increase and extension.

I respectfully call your attention to the present practice of detailing withcesses in criminal cases, when unable to give security for their appearance at the trial of the accused. They are generally poor, sometimes strangers, temporarily visiting the State, and made the victims of crime, often have families dependent upon them, and are kept in prison upon the claim that public necessity requires their actual presence at the trial. It frequently happens that, while the unfortunate witness is in prison, the alleged criminal is at large, on ball. The unnecessary detention of the innocent to convict the guilty is a cruel wrong. I submit whether it cannot be remedied by proper legislation.

Insurance.

Inasmuch as the report of the Insurance Department is not due until after the assembling of the Legislature, I am unable to communicate any information in regard to its workings during the past year. I refer you to the report when presented.

BANKS.

The number of financial institutions having relations, I commend to your favorable consideration the various

BANKS.

The number of financial institutions having relations nore or less intimate, with the Banking Department, or

The number of financial institutions having relations, more or less intimate, with the Banking Department, on Sept. 30, 1868, was 488.

Of these 248 were banks that had voluntarily taken the final steps to close their banking business under the laws of this State, by providing for the redemption of their circulation within six years.

Three others are insolvent, but their circulating notes are amply secured. Forty-eight banking institutions, not above enumerated, have been converted into National Banks or are otherwise changing their condition, but have not availed themselves of the provisions of the law for finally closing their circulation account.

One trust company and one savings bank are voluntarily winding up their affairs, and one savings bank the Ningara County—is closing its business, in consequence of insolvency, with liabilities, however, supposed to be less than \$4,000.

Forty-seven incorporated banks, whose charters have expired, still have notes outstanding, for the redemption of which they have not made any final deposit.

One hundred and one savings banks, with an aggregate of deposits exceeding \$150,000,000; 45 banks of discount and deposit, including some of the oldest and most substantial and popular institutions of our State; and four trust companies, with large capital and extensive business, still retain relations with this department, unaffected by the financial changes of the last few years. One of these—the Mechanics and Farmers' Bank of Albany—has evinced its confidence in the free banking system of the State of New-York, by returning to it from the national system, under the provisions of the enabling act of 1867.

One banking association, one trust company, and two or more savings banks, have been organized during the year, and other banking associations have fine certificates, but have not taken the flux steps to organization precedent to the transaction of business.

year, and other banking associations are received in the theoretical contents of the transaction of business.

The whole amount of circulating notes on all banks in this State, outstanding and charged to their accounts, on the first day of October last, was \$4,264,391; of this \$1,665,885, were issues of free banks, \$1,238,356 were issues of Safety Fund and Incorporated Banks. The amount of which securities were held by the Superintendent of the Banking Department was \$2,012,768, leaving unsecured \$941,623. But this consists, for the most part, of notes of very old banks, and is represented by their account of supposed lost circulation, or of banks that through some form of organization still redeem their notes dollar for dollar, and in some instances in gold.

The amount of circulating notes returned to the Bank Department and destroyed during the last fiscal year, was \$921,273.

was \$991,273.

The Adjutant-General reports that the National Guard of the State is, in its organization and discipline, in a sound and prosperous condition; that it numbers between some and an amomen, and consists of 50 regiments of infantry, 30 attailors of infantry, one regiment of artillery, 3 battailors of artillery, 3 battailors of artillery, 3 battailors of cavairy, 1 squadron of cavairy.

regiments of cavairy, 2 battalions of cavairy, 1 squadron of cavairy.

The Legislature of 1868 authorized a reduction of the maximum force from 50,000 to 20,000, and during the year 49 regiments of infantry and two battalions of artillery have been disbanded.

It will be my aim to reduce, as far as possible, the military expenses of the State without impairing the efficiency of the State National Guard.

EDICATION.

tary expenses of the State without impairing the efficiency of the State National Guard.

EDUCATION.

The condition of Colleges and Academies of the State will appear from the annual report of the Board of Regents of the University. The opening of the Cornell University, at Ithaca, in October Inst, was an event of marked interest. The widely extended influence of the academies in the State entitle them to liberal consideration. A suggestion has been made that the annuity given, more than 30 years ago, from the United States Deposit Fund, might now, with propriety, be increased. The State Library and the State Cabinet of Natural History, both under the control of the Regents of the University, are in a satisfactory condition. The additions to the Library, during the past year, have been larger than usual. The collection of the State Cabinet has been greatly increased. I recommend the usual appropriations for both.

10	Common Schools, for the year ending September,	
D.	FINANCIAL	
1	Receipts	
t	Amount reported on hand Oct. 1, 1867 \$1,197,924 70	
**	Apportlaned to Districts 2,315,166 80	
1	Proceeds of Gospel and School Lands 22,843 46	
*	Stated by Local Taxation 6,311,186 12	
A	From all other sources 633,346 58	tourness says
á		480,467 66
	Expenditures.	
	For Teachers' Wages	
a		
n	For Apparatus	
1		
0	For School-houses, Sites, Repairs, Furni-	
ζ.		
	For all other incidental expenses	
,		480,467 66
6 2	Statistical.	400,401 00
U	Number of children of school age	1.454.424
18	Number of children attending school some portion of the year.	971,512
ŧ.	Number of teachers employed in common schools for 28 weeks	
	or more	16,500
	Number of male teachers	5,083
4	Number of female teachers	21,870
9	Number of school districts	11,731
	Number of school houses	11,673
	Number of volumes in district libraries	1,064,229
	Amount of public money to be appropriated during current	a Draw Consu
•	fiscal year	3,520,000
	Clare the selection was to recently the control of	

Amount of public money to be appropriated during current fiscal year.

Since the school-tax was increased from three-quarters of a mill to 11 mills, and the schools opened to all of proper age without charge, the number of children attending has greatly increased. Four Normal Schools for the training of tenchers are in full operation. Two others will be opened early in the present year, and two more early in the year 1870.

It is not necessary for me to urge upon you the importance of doing whatever may be necessary to foster the educational interests of the State.

CHARITIES AND ASYLUMS.

In relation to the operation of the several public charities and asylums in the State, I respectfully refer you to the official report, which will be transmitted.

The Commission of Public Charities was organized under an act of the Legislature of 1867. During the past year nearly all the charitable institutions of the State, both public and private, and also the poor-houses, have been visited under the authority of the Board. Until the creation of this commission, notwithstanding the large annual contributions of the State to charitable institutions, on provision existed for any systematic supervision or examination of them. The report, which will soon be submitted, will, I doubt not, present many interesting facts, and valuable suggestions. I commend all the great charities of the State to the favorable consid.

The title to the Inchriate Asylum, at Binghamton, is, The title to the Inebriate Asylum, at Binghamton, is,

tion as may be necessary to increase the efficiency of the commission.

The title to the Inebriate Asylum, at Binghamton, is, under the operation of the law passed in 1867, vested in the State. No provision was made by that law for the government of the institution, and its management is still in the hands of the Trustees under the charter. I submit to the Legislature whether any changes should be made in its administration.

The Commissioners of the New Capitol, in pursuance of an act of the Legislature, have caused the additional land, deemed requisite for the building, to be taken by appraisement. The jury of appraisal, selected under the proceedings in the Supreme Court, was composed of citizens of the highest respectability, and their awards are unquestioned. Plans for the building have been adopted, and contracts for part of the material for its foundation have been authorized. The site of the building has been fixed upon. I trust there will be no delay in the progress of this work, and recommend such legislation with reference to it as may be necessary.

QUARANINE AND PUBLIC BEALTH.

The past year has been one of more than ordinary exemption from any imported disease. This has arisen rather from natural causes than from any increase of our facilities for warding off has approach. The State has long rested under the charge of having enacted stringent laws for the protection of her citizens from the introduction of pestitence through her chief commercial port without naving provided proper means for their execution. With a commerce which extends to almost every clime, and with a tide of immigration which yearly adds hundreds of thousands to our population, we are constantly exposed to the introduction of fractions discusses. The Legislature carly appreciated the necessity of guarding against this danger, but the mode by which it could be accomplished was surrounded with difficulties which checked, and for a while defeated, apprepriate legislation. It is believed, however, that when the measures authorized

ers to perform certain duties, among which was the erec-tion of a structure on West Bank in the lower bay of

New York, to be used for a quarantine hospital. Pursuant thereto, the Board, in the month of August of that year, awarded the contract for the erection of the structure; but they were delayed by an injunction from executing the contract until the 11th of September following. Owing to this delay, it was not until the 15th of January, 1867, that the first crib-work, which was to constitute the foundation of the structure, was sunk in its proper position. The inclemency of the Weather soon after compelled the temporary suspension of the work, but it was resumed, and from time to time prosecuted as the elements permitted, until the foundation was completed. It is now considered to be in proper condition for the erection of the buildings thereou, and it is probable that these will be finished during the present season.

The erection of this structure was regarded by many as a very doubtful experiment, who believed that the first attempt would demonstrate its impracticability at so exposed a point in the waters of the bay. But I am advised by competent judges that its success can no longer be considered problematical.

In performing the duties enjoined upon them the Board found themselves embarrassed by the restrictions of the act by which they were created. It authorized them to enter into a contract for the erection of the structure, but, in terms, gave them no power to modify or to guard against emergencies or to make alterations which might prove to be necessary in the progress of the work. A recent and severe storm land tested the strength of the structure more thoroughly than it had before been tried. It stood the test; nevertheless, I would suggest that an addition to the rip-rap should be made for further security.

In view of doubts existing as to the powers of the

It stood the test; nevertheres, would be made for further security.

In view of doubts existing as to the powers of the Board, I recommend such legislation as may be necessary to enable them to accomplish their work.

By an act passed at the session of 1868 the same Board was authorized to efect another structure on West Bank, to be used as a boarding station for quarantine purposes. Pursuant to that act they have entered into a contract, and I am advised that the work is now in successful progress. Only \$50,000 was appropriated by the act, but it was generally supposed that a sum of \$50,000, which had been appropriated in the Supply bill of 1867 for the erection of a place for the temporary detention of passengers under quarantine, could be applied to this purpose. A doubt, however, has been suggested whether the act of 1867 is not, in this respect, wholly superseded by a subsequent enactment. I respectfully recommend whatever legislation may be necessary to complete this work, so essential to the due administration of our quarantine system.

The report of the Commissioners, which will be laid before you, will contain the statistics in reference to eases treated under quarantine during the past year.

fore you, will contain the statistics in reference to desease treated under quarantine during the past year.

During the past Summer a contagious disease, known as the Texas cattle disease, made its appearance in the Western States, and measures were immediately adopted by the Commissioners appointed for the purpose to prevent its introduction into our State. These measures, I am happy to say, proved so successful that but few animals died of the disease, and in every instance it was confined to the farms on which it originally appeared. A full report will be presented to the Legislature at an early day. It is estimated that within this State there are 1,200,000 cattle, the annual value of their products being upward of \$24,000,000. The protection of this source of wealth is a matter of so much importance to our agricultural population as to merit the continued attention of the Legislature. I am informed that the act for the prevention of infectious diseases among cattle, passed April 20, 1866, needs amendment in order to enable the Commissioners to act with the efficiency necessary to secure the objects of the law. I recommend the subject to the careful consideration of the Legislature.

IMMIGRATION.

During the past year the number of alien immigrants

objects of the law. I recommend the subsection of the Legislature.

During the past year the number of alien immigrants landed at the Port of New-York was 213,708, shewing a decrease from 1867 of 22,023. This decrease may be attributed to the still unsettled condition of political affairs, and the competition of other States, which, in order to attract immigration to themselves, have established direct steam communication with European countries. The Commissioners of Emigration during the past year have improved the lands and buildings and the facilities for carling for the sick and destitute on Ward's Island. They have also established a Labor Exchange in connection with the landing depots at Castle Garden, by means of which they have been enabled to supply the demand for labor from the various parts of the country, and to secure immediate employment for many immidemand for labor from the various parts of the country, and to secure immediate employment for many immigrants. Over 30,000 orders for male and female immigrant labor have been filled from the burean of this department. For more detailed accounts of the workings of the Emigrant Commission, you are respectfully referred to their annual report, which will shortly be communicated to you.

For information in regard to the various other commissions in the Metropolitan District, and other district commissions and boards in the State, I respectfully refer you to the several reports, which will be duly transmitted.

CIVILAND CHMINAL CODES, &c.

commissions and boards in the State, I respectfully refer you to the several reports, which will be duly transmitted.

CIVIL AND CRIMINAL CODES, Ac.

The codes prepared by the two commissions organized under the Constitution have heretofore been presented to the Legislature. The Fractice Commission, created pursuant to the twenty-fourth section of the sixth article, has reported codes of civil and criminal procedure; and the Code Commission, created pursuant to the seventeenth section of the first article, has reported civil; penal, and political codes. A book of forms has also been prepared, adapted to the code of civil procedure. These volumes were designed to lay before the people, in a concise and systematic form, the whole body of the law, common and statutory, with formulas for general use. Much labor has been expended by the Commissioners upon their work, which has commanded considerable public attention. The code of civil procedure has been to a great extent, adopted by 16 States and Territories; the code of criminal procedure by 16 of them, and civil and penal code, the last reported, has been adopted by two of the Territories. In view of the great importance attached to the subjects embraced in these various reports, I commend them to your early consideration.

If they do not command the approval of the Legislature, I respectfully suggest the propriety of prompt section to secure a new revision of the statutes of the State, as well as an immediate reform in our criminal laws.

I particularly recommend that provision he made by statute that in all cases of murder, where the degree of premeditation, or the circumstances attending the homicide, do not, in the opinion of the jury, justify punishment by death, they may render a verdet of murder of a less degree, to be punished by imprisonment for a term of years, the maximum of which shall be fixed by law.

METROFOLITAS DISTRICTS AND COMMISSIONS.

The Constitution of the State, in terms, recognizes, for the purposes of local government, counties, cities, t

chart all officers, whose appointment is not provided for by it, shall be elected by the electors or appointed by the authorities of the locality within which their powers are to be exercised, distinctly recognizing the right of electors in local communities to choose their own officers, and, as they hear their own burdens, to administer their own affairs. The plain spirit of the Constitution has been clearly violated in the creation by the Legislation of other geographic and the creation by the Legislation valid; but it has, nevertheless, been very generally admitted to have been a partisan contrivance for power, and, if not an open violation, at least an evasion of the Constitution. One of these districts, called the Metropolitan District, embraces the counties of New York, Kings, Westchester, and Richmond. The people of these counties, and of the cities of New York and Brooklyn have thus been deprivacy important particulars, especially with reference to matters of health, police, and exclass; and these interests have been committed to officers appointed by State authority, who do not represent the majority of the inhabitants of the respective counties.

The effect has been, virtually, to give to the political minority in these districts the power of governing the majority of the inhabitus so the respective counties.

The effect has been, virtually, to give to the political minority in these districts the power of governing the majority of the inhabitus so the respective counties.

The effect has been, virtually, to give to the political respective commissions, and the restoration to the people of every county and city in the State of the Constitution apower to regulate and manage their own local affairs. Whatever theory may have been advanced originally in regard to the necessity of these Commissions, the fact is indispitable by with the dominiant party in the Legislature. It recommend the repeal of all laws creating these of the political solutions and the proper of the proper of the proper of the proper of

by the Legislature with the plain constitutional right of the people of the city to regulate and manage their own local affairs.

About one-half the amount raised by tax within the city is disbursed by the independent Commissions referred to, whose expenditures are subject to no adequate supervision, and who have practically no responsibility. One of the most certain means of correcting misgovernment is directly responsible to the people, who, through the ballot-box, have summary power of reiffess. It is the right of the people of that city, as it is the right of the people of that city, as it is the right of the people of all other parts of the State, that they should not be taxed without representation, as well as that the officials placed over them should recognize their direct accountability to the people, by legislative action, expend thus placed over the people, by legislative action, expend

money or incur responsibility, they do not consider the constituency who pay the bills. They regard themselves as invested with authority by partisan influences from other parts of the State, to secure political ends—and whether faithful or ineflicient, prudent or reckless and corrupt in expenditure, just or arbitrary and oppressive, they are apt to believe their party will sustain them as a matter of party necessity.

Experience proves that such officials, imposed, for partisan objects, to usurip power for the minority, consider that a harsh and imperious disregard of the rights of the majority is likely to commend them to those in other parts of the State to whom atom they owe allegiance. Parts of the State to whom atom they owe allegiance. Parts of the State to whom atom they owe allegiance. Parts of the State to whom atom they owe allegiance. Parts of the State to whom atom they owe allegiance. In fuses itself among the subordinates. The result is that the Government hecomes an inconsiderate tyrauny rather than a temperate and responsible exercise of all thought the state of t

of the proposed work, with an estimate of its probable cost, and such suggestions, with reference thereto, as they may deem proper.

The Excise law which is in force throughout the Metropolitan District, excepting only in the County of Westchester (which was, for some reason, exempted from its operation), violates principles involving rights of individuals and communities. It confers upon the Excise Board created by the Legislature, and deriving none of its authority from the people of the District, extraordinary and arbitrary powers, and contains, in my judgment, many harsh and unwise provisions. If the objects of its enact ment were to diminish the amount of intemperance, and to lessen the consumption of intoxicating liquors, these objects have not been attained. At the same time, this law has been executed and enforced in an arbitrary, despotue, and intemperate manner, and in a spirit which has created great disatisfaction even among many who were its original supporters; while large numbers of sober, temperate, industrious, and law-abiding citizens feel that they are oppressed by its oncrous exactions and requirements. No one deplores more than I do the evils of intemperance; but they are not local, and are not conflued to any section or district, and if they can be cheeked or modified by legislation, the remedy can only be secured by the operation of general laws. There is no reason, in my judgment, why the whole, or any portion of the Metropolitan District, should be subjected to an excise law different from that applied to other parts of the State. All such laws should be universal in application, and should have for their object not the enforcement of extreme and arbitrary views, but the encouragement of good habits and the preservation of public order. The present law needlessly violates private rights. It provokes hostility because it does so, and because it is administered harshly by partisan officers. I therefore recommend its repeal, so that we may have but one law for the whole State, to be admini

a law would command universal respect and general obedience.

PURITY OF ELECTIONS.

Every means should be adopted by which the electors may have secured to them freedom from intimidation or corrupt influences in the exercise of the elective franchise—the highest privilege of a citizen. It cannot be denied that wealth, by its lavish expenditure to control elections, is fast becoming more influential than abilities and public service to obtain political power and official station. It is not unusual to hear the ciaims of public men asserted in proportion to the pecuniary contributions which they make to party funds in amounts which obviously cannot be required or used for the legitimate purposes of an election. It is one of the startling evils of the times that nominations to important offices are sought by and given to men of vast wealth, not because of their capacity and qualifications, but in order that their money may be used to accomplish success. The dangers arising and to be apprehended from this condition of things are manifold. Officials are insuft that money, however acquired, is the passport to office and authority; electors are corrupted, and a power is built up, founded on the possession of rienes and their corrupt use, tending to the subversion of the rights and liberties of the people and the destruction of the principles of our Government. As one result of this growing tendency of moneyed influences to assert an exclusiveness of class, and a superior domination, sectional and class legislation has been adopted of late years to control, even in regard to suffrage, large communities by special laws not applicable to other parts of the State. Before the law all men are equal, and never more so than by special laws not applicable to other parts of the State. Hefore the law all men are equal, and never more so than when in the performance of their right and duty of voting to sustain principles, and to elect their representatives. Laws to provide regulations and restrictions in regard to elections should apply to all citizens and to all sections alike. The laws to preserve the purity of the ballot-box and to prevent the corrupt use of money in elections should be general, stringent, and rigorously enforced. In my judgment there should be one registry law for the whole State, imposing equal conditions and restrictions everywhere, and it should be the aim thereof to secure to every citizen his right of suffrage, free from intimidation, corruption, or onerous exactions; while the corrupt use of money in elections should be severely punished, and every guaranty established by which illegal voting may be prevented.

overy guaranty established by which illegal voting may be prevented.

In this connection it may not be improper to allude to the fact that there is a manifest disposition in some quarters to encourage a movement to vest in Congress the control and regulation of suffrage in all the States. This is another step in the direction of centralized power in the General Government—a power to control elections—which would enable dangerous and unscrupulous men, who might obtain possession of the National Administration, to hold it indefinitely, even against the real will of the people. It is very certain that purity of elections in States cannot be secured by transferring the direction or control of them to the authorities at Washington. There can be no purity in the General Government unless it exists first in the States and in the people. The founders of our Government never contemplated the interference of Congress in this matter. They expressly guarded against it.

of our Government never contemplated the interference of Congress in this matter. They expressly guarded agoinst it.

By the Federal Constitution "the times, places, and manner" of holding elections for Senators and Representatives are required to be prescribed in each State by the Legislature thereof; but it is provided that Congress may at any time make or alter such regulations, except as to the places of choosing Senators. This authority to prescribe regulations as to "the time, places, and manner" of holding elections was contested at the adoption of the Constitution as vesting in Congress too great a power, which might be exercised so as to defeat the just rights of the States to representation; but it was argued that it was a power which never was intended to be, and probably never would be, employed, except when the States might attempt to break up the Government by not sending representatives, and then only for national self-preservation. But the question of suffrage was wisely put beyond the control of Congress, and it was provided that "the electors in each State shall have the qualification requisite for electors of the most numerous branch of the State Legislature." This settlement of the right of suffrage was regarded "as a fundamental article of republican government." The question of suffrage is thus withdrawn from the capricious or more dangerous interference of Congress. It is not left to legislative discretion in the States, but is fixed by the State Constitutions, and here, I think, every reflecting mind will conclude that it may be wisely and safely left.

NATURALIZATION AND CITIZENSHIP.

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NATURALIZATION AND CITIZENSHIP.

There is also a disposition manifested to place obstacles in the way of the naturalization of citizens. While in the Southern States the right of free and innestrained suffrage has been suddenly conferred upon large masses of men who have never before exercised it or discharged any other of the duties of citizens, it is now suggested that new restrictions be imposed upon the enjoyment of this high privilege by immigrants who seek to be clothed with the rights of American citizenship. Movements have been already made for depriving the State Courts of the power of naturalization, and to confer this power exclusively upon the Courts of the United States, and upon Commissioners to be appointed by Congress. It would be impossible for the Judges of the United States Courts, by reason of the pressure of their judicial duties and the few places in the country at which the sessions of their Courts are held, to extend the necessary facilities to those entitled to become citizens. The whole business would necessarily devolve upon the partisan Commissioners created by Congress, holding no responsible official relation to the judiciary of the country of the States. Thus, naturalization would become more a matter of favor than of right.

The power now is exercised by Judges in the different States representing all shades of political faith, and if there be any abuses now they can be remedied under the existing jurisdiction, and they are far less than those which would result from the transfer of this power to any body of officials not chosen for their judicial qualifications, not exercisink judicial functions in other matters, and created by one central authority representing necessarily a political party. These movements indicate a tendency on the part of their supporters to obstruct and hinder maturalization, and thus to discourage the femina

the Southern States, and in assisting, by their industry and toll, to work out a practical solution of the great problem of reconstruction, and every inducement should be extended to them.

CONCLUSION.

Few questions of principle or policy will be presented for your consideration, toward the decision of which precedent or experience will not furnish you an accurate guide, or at least effective sid. We need only, to the discharge of our trusts in our respective departments, grave, responsible, and numerous as they are, an earnest spirit, a constant and vigilant regard for the public interests, and an unceasing watchfulness in maintaining the integrity, honor, and dignity of the State. With these we cannot fail to meet the just expectations of the people.

But beyond the limits of our jurisdiction there are questions and principles of far wider significance than those which engage our official consideration, which appeal to us as editions of a common country, which press upon the people in the form of unequal responsibilities, and in which we all have a deep and abiding interest. I aliude to the national issues which a wait solution. I do not intend to refer to them in a partisan spirit, or to discuss them at length. These issues have presented new and difficult questions of government, of inance and taxation, resulting from the Rebellion, and we are without guides in previous history to lead us to their determination. Nearly four years have clapsed since the close of the Rebellion, and the Federal authorites have had unrestricted power to reistablish civil government in the States rescued from sedition, and restore to their people peace and the motives to industry; and yet how little has been done toward these ends!

Hast they been attained, the South would now be enabled to hear its share of the taxation entailed by the war, and the North relieved of its unequal responsibility, while the whole country, resuming its former commercial relations, wyuld be so far advanced in prosperity and power that in a few years

patriotism in sustaining any administration of the Federal Government fit every earnest effort which it shall make to restore its credit, to maintain the public faith, to ceestablish the authority of the Constitution, to unite all our people in amity and concord, to give pence and prosperity to all sections of the Union, and to assert, among nations, the honor of our flag and the rights of those who claim its profection.

There is a spirit of party intolerance growing up which not only arrays men in bitter political hostility, but which creates personal hatred through mere differences of opinion. It follows the elected representatives of the people with detraction and misrepresentation, and impairs their usefulness in the discharge of important trusts involving the public welfare. I consider this adancerous evil. Public officers, both Federal and State, should be judged by and held responsible for their acts, and not prejudged by elamor and party intolerance; nor should they be intimidated by either. My duty duty is defined by the oath I have taken to execut the laws of this State, and to support its Constitution and the Constitution of the United States. I shall endeavor to do it faithfully; and while I shall uphold and maintain the political doctrines and principles to which I am devoted, and assert and defend the rights of the State and of the people whose representative I am, I will, as the Executive of this State, support the Executive of the United States in every exercise of rightful authority, and in every patriotic effort for the welfare of our common country. The people will approve. War no longer claims offerings of lives and treasure; peace now demands the sacrifice of prejudices and passion.

THE INTERNAL REVENUE FRAUDS.

LLEGED EXTORTION AND BLACKMAIL BY AN INTERNAL REVENUE OFFICER—ASTOUNDING DEVELOPMENTS.

The examination in the case of ex-Inspector David Lichtenhein, who was arrested upon a warrant issued by Commissioner Owen some three weeks ago, for alleged blackmail and extortion, has developed some starring facts, as will appear from the synopsis of the testimony thus far produced by the Government before U. S. Con

missioner Owen.

Ocar Hoym, who is the alleged victim of the extortion compidined of, testified: That he resides at No. 81 Suffolk-si, New-York City, and was a manufacturer of cigars, and carried on his business at lis residence; that on Saturday, the 27th of April, 1807, witness was called upon by one Dimescale with which witness was called upon by one Dimescale with witness was called upon by one Dimescale with witness was called upon 1810, 80 and 180 respectively, which bills proved to be counterfeit; that, immediately after, Inspector Lichtenhein, who was standing outside, came in with a warrant, and witness was arrested and brought before United States Commissioner Osborn, who held him to ball in the sum of 3—; that on the next day (Sunday, the State Commissioner Osborn, who held him to ball in the sum of 3—; that on the next day (Sunday, the State Commissioner Osborn, who held him to ball in the sum of 3—; that on the next day (Sunday, the State Commissioner Osborn, between 9 and 10 o'clock, at the Westchester House, corner of Broomest, and the Bowery, and that Lichtenhein would like to see witness on the next morning, between 9 and 10 o'clock, at the Westchester House, corner of Broomest, and there met Inspector Lichtenhein, who, after the preliminary sultrations, stated to writness to get out of his scrape; whereavon licktenhein sated to the west of the sate of the sa

tenhem) had completely runned him; that he dad landed in his promises to protect him; and that he (hoym) was going to prison while his wife and family were without a cent even to pay their rent; and begged him, in the name of God and in the name of humanity, to give his poor wife at least \$100 out of all he had made out of him. Mrs. Hoym testified that she bore the letter to Lichtenhein, who tore it up and threw it into the fire.

While giving the foregoing testimony the witness burst while giving the longuing season; while give most that tears, and many eyes in the Court-room grow most. Hermann Simon, the next witness, testified that in April, 1867, he was employed as a cigar packer by Oscar Hoym; that he remembers seeing Lichtenhein at Hoym's house on the evening of Monday, April 29, 1867, and that on the next morning he helped pack the 20,000 cigars and accompanied them to Jacob Frend's, No. 137 Bowery, and heard Frend ask, "Whose eigars are these i" and Hoym reply that Lichtenhein gave orders to bring them there, and that Frend then called his elerk and ordered him to take the cigars inside. Witness fixed the dates by the fact that they were the last days of the Jewish Easter.

Mr. Welsenthal, the next witness, testified that his business was that of a box maker, that he saw Lichtenhein on the evening he went to Hoym's house to sample the cigars; that witness stood on the stoop as Lichtenhein passed out, and that on the next morning witness furnished the boxes for the cigars to be packed in, and assisted in the packing, procured the carman, and accompanied the cigars to their destination, to wit: to the store of Jacob Frend, No. 137 Bowery.

At this point the Government rested their case, and the further hearing is adjourned to January 9, 1869 at 11 into tears, and many eyes in the Court-room grow moist

further hearing is adjourned to January 9, 1869 at 11 o'clock a. m., to allow the defense to procure their witnesses. Assistant District-Attorneys, Ethan Allen and Emerson, and Henry Morris for the Government. Col-John D. MacGregor and John Sedgwick, esq., appear as counsel for the prisoner.

Two prizes, one of \$200 and one of \$300, are offered to the ones most successful in cultivating fish in Massachusetts.

GENERAL NOIES.

A hairless squirrel has been caught in Natchez. Its stin is soft and smooth, and evidently never had any hair upon it.

Canned salmon are now sent to New York from California. A ship recently sailed from San Fran cisco with 630 boxes of these delicacies. Boston boys throw stones at the Fancuil Hall

windows by way of carrying out a standing joke in practical way. They call it "rocking the cradie," Brown University has a new college periodical, called The Caducque. It is published by the open or

anti-secret societies, in opposition to the regular paper. A "lady friend" of Garibaldi in England announces that she has received a private letter from the General, and that he assures her of his excellent health

Ten thousand negro children are attending school in Tennessee this mouth. Efforts are in progress to establish a State Agricultural College for the colored people.

the woods in northern Wisconsin, near Chippewa, was caught and confined a few days ago. He burrowed in the ground at night. Fire-crackers and Roman candles have been

the "order of things" in New-Orleans during the Christ mas holidays. Children are warned by the papers against accident just as they are here in the month of July.

Colored people have a fair share of the municipal honors in Nashville. Two of the city magistrates, one constable, the jailor, and six Common Councilmen are negroes. One colored man in the city owns real estate valued at \$40,000. Another is worth \$35,000. A new underground railway is projected in

engines. The tunnel will extend along Oxford-st. and Holborn from the General Post Office. It will have nine stations about one-third of a mile apart. The Royal Academy of London has just celebrated its first centennial anniversary. The exhibition which ended last month was the last to be held in its

London, in which the cars will be moved by stationary

old building in Trafalgar-square. The society will soen occupy new and more commodious premises in Piccadilly The Rev. Father McElroy of Baltimore, now 87 years of age, the oldest priest of the Catholic Church in the United States, and who has been blind two years, recently had his sight perfectly restored by the removal

of a cataract. The old gentleman now walks about, and expects soon to preach again. It is a remarkable fact, that there have recently been going through New-Orleans heavy shipments of Malaga fruits, etc., from New-York, to Chicago Milwaukie, and St. Louis. The Picayune says the rail road charges are so heavy that it pays to ship freight

to the West by sea from New-York. Great Britain imported tobacco in 1867 to the value of \$11,906,560. The following countries furnished the supply : Holland, Belgium, France, Portugal, Greece, Turkey, Syria, Palestine, Algeria, Phillippine Islands, China, Japan, Brazil, Cuba, St. Thomas, United States, New-Graands, Ecnador, Channel Islands, and the Argentine

A young man was saved from suicide in Providence, last week, in a very curious manner. A policeman discovered him on the streets with what he thought was a roll of money in his hand. He suspected his honesty and followed him. The roll of money proved to be a bottle of laudanum, with which the young man proposed to end his life. The officer emptied its contents to the street, and placed the owner in charge of his

An English thief got into a very ridiculous rouble recently, while trying to steal the silver Communion service from a Baptist church—the Stepney-Green Tabernacle. He found wine in the pitcher and drank se freely, before carrying away his booty, that he fell head long into the Baptistry which had been left open by the Sexton. He dragged himself through the water and was found lying on the floor next morning in a pool of water dead drunk.

A false wife died in New-Orleans a few days ago, while lying with the man for whom she had deserted a husband and child. Her husband lived within a few squares of her residence, but did not discover it until after she was buried, and then only by accident. He took possession of her few effects, and found among them many little gifts and keepsakes which reminded him of happier days. The husband and seducer now reside near each other in the same city.

A gentleman in Houston, Texas, is in possession of a large silver medal which belongs to Madame de la Grange. He bought it of an unknown man for a trifling sum, and is apparently willing to surrender it to its owner. The medal bears this inscription: "Presented to Anne de la Grange by the director of the Thestre Lyric, Rio Janeiro, December, 1858." On the reverse side is inscribed the names of various operas-Norms, Lu-

The "Westminster Temperance Club" recently enjoyed what it is pleased to call its "Two-hundredth annual dinner" in this city. How many annual dinners the Club sits down to every year we cannot say. We find the following delicacies upon its last bill of fare: Fish-Salmon-P. Chase; Sole-of John Brown; Spanish Mackerelville; Entree Turkey-without Grease. Cold Joints-Cold Shoulder, Cold Feet, Cold Wittles. Vegetables. -868 Corns, Bunions, Dead Beats. Game.-Base-Ball, Billiards, Faro, Muggins. Relishes .- Cranberry, Apple, and None-ofyour Sauce. Dessert.—Sponge cake, Stomach-ache, Russian Baths, I scream, U scream, They scream, Chalklit.

Dr. H. Blano, a member of the English mission to King Theodore, stated recently before the Royal Geographical Seciety, London, that the Abyssinian military expedition was never in Abyssinia proper at all, and that it never met the real Abyssinians. He did not speak very highly of the true Abyssinians or their country, but was very enthusiastic in describing the tract of land known as Western Abyssinia. The whole of this tract-valleys, plains, and plateaus-is watered by count-less streams; the soil is so rich and enjoys so many climacteric advantages that three harvests are usually reaped in a year. Wheat, barley, and teff are grown in large quantities. Wine is abundant. Cotton covers the plains. Honey, fragrant with the perfumes of wild flowers, is found everywhere.

The official stamp of the Goldsmiths' Company London, by which English jewelry buyers are supposed to be protected against imposition, has been degraded during the past few years under a new law allowing it to be placed on articles of 9, 12, and 15-carat gold. The stamp was formerly confined to is carat, and should be so still. Gold of nine carats is, in reality, copper alloyed with gold. Even 12-carat is only half gold, and half alloy. The "hall-mark," as it is called, has become entirely worthless, therefore, as a security against fraud. Gold chain makers have a way of cheating which could hardly be avoided, even under a good system. They send chain to receive the mark on every buk. These are thes separated, and each link is placed on a chain of inferior

The London Times thinks there is "ope branch of civilization in which the Americans have usdoubtedly set an example to the world." This is our free newspaper exchange system and cheap newspaper postal rates. No system of "Exchange" between papers exists in England, and with no favor from the Government the cost of such a system would be immense. The rates of postage, too, are so high that the greater part of newspaper transportation is done by private enterprise. The Post-office, says the Times, performs the least possible mount of work at the greatest possible expense. The cost of a paper is doubled by receiving it by post. In view of these facts, there are some misgivings about the coming control of all telegraph lines by the British Postoffice Department. Unless the Government shows more regard for the press in the management of the telegraph the public will suffer by the change. Wendell Phillips once went to lecture in Mil-

ford, New-Hampshire, without having received instruc-tions as to what subject would be most acceptable to the people. On reaching the hall he met the president of the lyceum, and before beginning his lecture, he remarked that he had chosen "Street-Life in Europe" as the subject of the evening. "Aint you going to lecter os Slavery!" asked the Squire, "Nothing was said to me in the invitation about the subject." "Do you mean to say as how you was not invited to lecter on Slavery !" do." The venerable president rose, and, looking over the pulpit to the table beneath, where sat the secretary. young lawyer, said, "Mr. Secretary, didn't you prite to Mr. Phillips that the vote of this society was that he should lecter on Slavery ?" "No, sir, I did not," said the secretary. "And why didn't you!" "Because I didn't want Slavery erammed down, my throat," was the ply. "Well, sir, we'll see whether you are to be crammed. down our throats." Then, addressing the audience, he said, "As many as are th favor of having Mr. Phillips lecter on Slavery will manifest it by holding up their hands." Three-fourths of the audience held up their hands. "As many as are contrary-minded will hold up their hands." A few hands were held up, "There," said he, turning to Mr. Philips. "you will please lecter on Slavery." Mr. Philips